

**COUNCIL AS A WHOLE COMMITTEE MEETING
MINUTES
TUESDAY
MAY 24, 2011**

Council President Mr. Morley opened the meeting at 7:00 p.m. Members of Council in attendance were Mr. Knuchel, Ms. Vaughn, Ms. DePledge, Mr. Hoefle, Mr. D'Ambrosio and Council President Mr. Morley. Mr. Lajeunesse was late in attending. Also attending was Council Clerk Mrs. Cendroski.

Attending from the Administration were Mayor Andrzejewski, Law Director Klammer, Finance Director Slocum, CBO Stigalt, City Engineer Gwydir, and Police Chief Reik.

Also in attendance were members of the public.

LEGISLATION PROPOSED:

05-24-(01): BID ADVERTISEMENT: EDWARDS AVENUE STORM SEWER PROJECT

Mr. Morley: Mr. Gwydir?

Mr. Gwydir: This is a request by C.T. Consultants to bring the Edwards Avenue drainage project to bid. To recap, it is being funded by the OPWC in grants and loans at the rate of 70% and through the City funds at a rate of 30% with the total project being anticipated to cost approximately \$284,000. We made the request so we could get the project bid out and bring a recommendation to you before your Council break. I am open for questions.

Mr. Morley: Has there been any correspondence about the shortage of \$46,000?

Mr. Gwydir: There have been no further conversations with OPWC. They are looking for the money presently and have requested the number of communities they serve to turn in any outstanding as part of a follow-up to bring the funds in.

There were no further comments or questions. This matter was moved forward to the regular Council meeting agenda.

05-24-(02): BALLOT ISSUE: 4.0-MILL TAX LEVY

Mr. Morley: Mr. Slocum?

Mr. Slocum: As we have discussed in Committee this is a 4-mill levy. If presented to and adopted by the voters it will generate close to \$2 million. I know the number came in from the County at \$2, 090,000. However, that is 100% collection when in fact they are only collecting at a rate of 96%. That is why when I have talked in the past I have used the \$2,010,000 number.

Mayor Andrzejewski: Please feel free to add anything. There are a few residents here – I was hoping more would show up. This is a last ditch course of action for us. We looked at every possible way to save money without decimating our safety forces and the Service Department. This year we had a balanced budget. Council, along with the Administration, worked and in March passed a balanced budget for 2011. We would have used every nickel of our surplus and

we will use every nickel of our surplus but we would have survived 2011 and then faced 2012 next year. Just after the budget was passed Governor Kasich announced his biannual budget for the State of Ohio and in that budget was several items but one big one is called the Local Government Fund. Most residents unfortunately do not understand the Local Government Fund – it is almost like well, that is just a few dollars for the cities – it isn't. The Local Government Fund to the City of Eastlake is \$1.9 million and our General Fund budget is somewhere around \$13 million. That is a lot of money. If you were watching what was happening in Cleveland the Local Government Fund cut to them was \$30 million. They announced 400 layoffs of City employees. So, we were told all you cities are going to lose 50% of your Local Government Funds so to us that is \$950,000 a year. The Governor just said – boom – we are taking it away – don't want to hear anything – any arguments – we are just taking it away. We have no choice. That is the only money the City of Eastlake and a lot of cities and county governments get from the State of Ohio – schools and libraries too. There are four groups who get the Local Government Fund – city governments, county governments, schools and libraries. He announced \$950,000 will be cut from the City of Eastlake. We balanced our budget and are now faced with \$950,000. \$425,000 of that will come this year because there is ½ year left then next year we will get \$950,000 in cuts. To add insult to injury the Governor then announced that the CATT tax – this is a tax that was put in to replace the intangible property tax that used to be in effect and it was to be phased out over 15 years. We were in the 5th or 6th year of that. The Governor also announced that they are going to keep all the CATT tax money. So, the former Administrations promise to the City that it would be phased out over 15 years so we could make adjustments – he now has said it is done – we are stopping that. To add further insult to injury he then said we are also going to keep the utility tax. The utility tax is something that is paid to all cities because of power generation - electric companies deregulation reimbursement. Most people would think what is the big deal - you lose \$10,000 - \$20,000 - except for the fact that we have a power generation plant in Eastlake so to us unlike Willoughby, Wickliffe, and Mentor we are being hit to the tune of - Mr. Slocum?

Mr. Slocum: Just in the General Fund - \$400,000 a year.

Mayor Andrzejewski: \$400,000. So, to make a long story short no matter what we do we cannot cut enough other than to decimate the City. If we get rid of ½ the Police force, ½ the Fire Department, most of the Service Department and some of the other Departments in the City we could make ½ million dollars in cuts but we cannot do that. So, that is why we are asking the people of Eastlake for a real estate tax increase in the amount of \$10 per month - \$120 per year per \$100,000 in value. I get questions all the time from residents – Mayor, we already pay you \$3,000 a year in real estate taxes - and, we have to correct them – the real estate tax bill they receive from the County may be \$3,000 but the City of Eastlake gets \$300 of that. If you look on your tax bills of the total amount of tax dollars you pay the City of Eastlake gets 10% of that. The rest – 60% goes to the Willoughby Eastlake schools, the other 30% goes to County programs such as the Mental Retardation Board, Lakeland Community College, the crime lab and also the libraries. So, if you have a tax bill of \$3,000 you pay the City of Eastlake \$300 and for that you get what we provide – police and fire protection, road work, leaf pickup, snow removal – everything else the City supplies to the residents. I am making a long explanation so people

understand this was not an easy move for me and Council. We do not like to raise taxes. The City has not had a tax increase since I have been Mayor – as a matter of fact we have not had a tax increase in this City since 1982. So, we have done very well in controlling expenses and cutting where we had to cut. We don't have any choice. Either we decimate our employees or we ask the people for some money. When I say we decimate our employees it is because 70% of our budget is personnel. Only 30% can we control for other expenses. 70% of the budget is personnel – 58% of that is Police and Fire Departments. That is a long explanation. I wanted to get that on the record so people understand this was not a light decision to make. It is a tough decision for all of us but if Eastlake is going to remain a viable community we have to have some help this time.

Mr. Morley: We will do this in three readings so we have this meeting and two meetings in June. Some of us have written in our Gazette articles which are coming out in June that we all encourage people to come to the Council meetings. This is a tough thing for us to ask for in this economic time – none of use wanted to do it – but, at this point in time this is what we have to ask from the residents of the City and hopefully they will agree with us. We will have a couple of other meetings in June before we pass this – the last meeting in June will be June 28th. Mr. Slocum will have all the numbers if the residents want to come and talk to him or any one of us. If you hear any rumors at least come to the Finance Director, the Mayor, myself or anyone else on Council and ask – don't take it for granted – if there is a question you want answered we are more than willing to give you the answers.

Mayor Andrzejewski: If it is passed by Council – and I hope it is – we will actively go out in the Community and explain why we are doing this – explain the mechanics of it and show people exactly what they have the chance to vote for. There were a couple of other options but we were all in agreement that whatever we do we would present it to the voters to vote on. There will be nothing that will be forced on the people. We are asking the people to look at the situation and vote yes or no. We are giving the voters of Eastlake the chance to express their opinion. I hope they will side with us but the point is we could have done a couple of other things that would not have required a vote but we all said - no – we are going to take it to the people and let them decide. Is that right?

Mr. Morley: Right. We did not want to put in any extra reciprocity on the taxes - or fees. We want the residents to tell us what they want to do and afterwards we will see what will happen if it does not pass. We have already started – I was at the last meeting when the Finance Director asked the Directors - Fire, Building, Police, Service – what they would have to do if they had 20% less money or manpower.

Mayor Andrzejewski: It is not pretty.

Mr. Morley: We will take a look at that. We will be prepared and if it does not pass we will go from there.

Mayor Andrzejewski: I want to say positive.

Mr. Morley: I do too.

Mayor Andrzejewski: That the people will work with us. Again, I am pointing out the fact that the City has not raised any taxes since I have been Mayor and since all you have been on Council and even going as far back as 1982 – the last real estate tax increase in this City – or any kind of a tax increase in this City. We have managed this City on the money that has come in all these years. There just came a point where there is nothing else we could do. So, I want to stay positive and hope the people will work with us.

There were no further comments or questions. This matter was moved forward to the regular Council meeting agenda.

LEGISLATION PENDING: (Placed on First Reading 05/10/2011)

05-10-(07): CONDITIONAL USE PERMIT AMENDMENT: PETE’S BAR & GRILLE, INC., 35700 LAKELAND BLVD., EASTLAKE

Mr. Morley: Mr. D’Ambrosio?

Mr. D’Ambrosio: This was put on First Reading because the people from Pete’s Bar & Grille, Inc. had not signed the permit. They did come in to sign so this is all good to go.

Mr. Lajeunesse joined the meeting at this time.

There were no further comments or questions. This matter was moved forward to the regular Council meeting agenda.

MISCELLANEOUS:

REPEAL: ORDINANCE NO. 2011-052 & ORDINANCE NO. 2011-053, ADOPTED APRIL 26, 2011

Mr. Morley: Ms. Vaughn?

Ms. Vaughn: Previously we were requested to adopt Ordinance No. 2011-052 which amended Chapter 1385 of our Building Code to a new Property Maintenance Code and Ordinance No. 2011-053 to repeal the existing Chapter 1387 – the old Property Maintenance Code. Mr. Stigalt realized that Chapter 1387 should have been amended instead and as such we were going to amend Chapter 1387 to include the new revisions. However, it has come to my attention through a member of his staff that the new amendment to Chapter 1387 does not include penalties for removal of weeds and litter by the owners/occupants and any provision for ordinance assessment. Therefore, I am suggesting we repeal both Ordinances – 2011-052 and 2011-053 which were adopted April 26, 2011 and go back – even though we spent months working on this – to our original Chapters 1385 and 1387. The proposed amendment will be referred back to Mr. Stigalt for review by himself and Mr. Klammer and once it is revised and everything is as it should be we will get it again. I will be making a motion tonight to place Legislation No. 05-24-(03) on the agenda.

There were no further comments or questions. This matter was moved forward to the regular Council meeting agenda.

2012 TAX BUDGET

Mr. Morley: Mr. Slocum?

Mr. Slocum: This is an annual requirement we have. It really represents our request to the County to fully authorize this and collect everything we are legally entitled to. I recommend passage.

There were no further comments or questions. This matter was moved forward to the regular Council meeting agenda.

There were no further questions or comments.

ADJOURNMENT

The meeting adjourned at approximately 7:18 p.m.

dac

APPROVED: _____

DATE: _____